

Message Text

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44

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 NEA-10 TRSE-00 SAJ-01 AID-20

EB-11 OMB-01 DRC-01 AF-10 FAA-00 /190 W

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R 021558Z NOV 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 5281

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION NATO BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY VALLETTA

C O N F I D E N T I A L LONDON 12796

E. O. 11652: XGDS-1

TAGS: UK, MT, EEC

SUBJECT: UK-MALTESE RELATIONS

REF: A) VALLETTA 2157, B) STATE 213796 (NOTAL)

SUMMARY: BRITISH ARE DETERMINED TO PLAY LATEST RUCKUS WITH MINTOFF COOL (REF A AND PREVIOUS). THEY WILL NOT COMPENSATE HIM FOR LOSS OF BASE RENT DUE TO STERLING FLOAT. THEY WILL NOT EXTEND FURTHER AID UNTIL HE PAYS THE INTEREST HE OWES THEM ON THEIR LOANS, NOR WILL THEY AGREE TO ANY FINANCIAL ASSISTANCE FROM EC. AS FOR THREAT TO TRANSFER FIR TO TRIPOLI (REF B),
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BRITISH CONSIDER IT PREMATURE EVEN TO START WORRYING

ABOUT IT. END SUMMARY.

1. GOODISON, HEAD OF SOUTHERN EUROPE DEPARTMENT, FCO, REVIEWED WITH US CURRENT STATE OF UK-MALTESE RELATIONS. AFTER A PERIOD OF RELATIVE CALM FROM FEBRUARY TO OCTOBER, THEY ARE ONCE AGAIN TENSE, HE SAID. THE TWO MAIN ISSUES REMAIN, AS BEFORE, MINTOFF'S INSISTENCE THAT THE UK COMPENSATE MALTA FOR BASE RENTAL LOSSES DUE TO FLOTATION OF THE POUND, AND HMG'S EQUALLY ADAMANT INSISTENCE THAT MALTA PAY SERVICING CHARGE ON OUTSTANDING BRITISH LOANS.

2. GOODISON REVIEWED WITH US THE RECENT CORRESPONDENCE BETWEEN MINTOFF AND SIR ALEC, BEGINNING WITH THE FOREIGN SECRETARY'S OFFER OF AUGUST 9 TO GIVE MALTA ONE MILLION POUNDS IN TECHNICAL ASSISTANCE IF MALTA WOULD PAY THE INTEREST DUE ON THE LOANS (680,000 POUNDS). MINTOFF REJECTED THE OFFER IN A LONG AND INTEMPERATE LETTER OCTOBER 6, AND FOLLOWED THIS UP WITH ANOTHER LETTER OCTOBER 25 DEMANDING BRITISH SUPPORT IN EC FOR SOFT LOANS OR GRANTS (VALLETTA 2157).

3. GOODISON SAID SIR ALEC WOULD REPLY TO BOTH LETTERS NOVEMBER 3 RESTATING STANDARD BRITISH POSITIONS. UK WOULD MAKE ROUTINE REPORT ON MATTER TO NAC NOVEMBER 5. WHEN EC CONSIDERS MALTA'S DEMANDS NOVEMBER 6, UK WILL OPPOSE EXTENDING LOANS TO MALTA AT LESS THAN NORMAL EUROPEAN BANK RATES.

4. IN COURSE OF FOREGOING CONVERSATION, SIR ALEC'S PRIVATE SECRETARY TELEPHONED TO SAY THE ITALIAN AMBASSADOR WAS CALLING ON THE FOREIGN SECRETARY LATE AFTERNOON NOVEMBER 1 TO EXPRESS CONCERN ABOUT MINTOFF'S THREAT TO TRANSFER MALTA FIR TO TRIPOLI. GOODISON DISMISSED THREAT AS "ONLY WORDS, NO ACTION," AND IMPLIED THAT ITALIANS WERE TOO QUICK TO TAKE MINTOFF'S THREATS SERIOUSLY. HE POINTED OUT THAT TRIPOLI'S OWN FIR WAS NOT EVEN OPERATIONAL YET AND THOUGHT IT PREMATURE TO START WORRYING ABOUT POSSIBLE MOVES TO INCORPORATE INTO IT MALTA'S FIR. ON SPECIFIC POINT RAISED REF B PARAGRAPH 2, GOODISON CONFIRMED THAT DEPARTMENT'S INTERPRETATION OF CONFIDENTIAL

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ICAO PROCEDURES AND ANNEX TO BASE AGREEMENT WAS CORRECT, BUT ADDED THAT IF MINTOFF DID INTEND TO SEEK TRANSFER OF FIR, HE WOULD HARDLY FEEL ANY COMPUNCTION ABOUT BREAKING ARRANGEMENT CONTAINED IN ANNEX.

5. COMMENT: BRITISH ARE CLEARLY DETERMINED TO PLAY LATEST RUCKUS WITH MINTOFF COOL. THEY WILL NOT BUDGE ON THE BASIC ISSUES AND ARE NOT LOATH TO USE THEIR

POSITION IN THE EC TO BRING SOME ADDITIONAL PRESSURE TO
BEAR.

ANNENBERG

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